

CONFIDENTIAL**INSPECTOR GENERAL**

76-2791

18 AUG 1976

MEMORANDUM FOR: Deputy Director for Administration
Deputy Director for Operations
Deputy Director for Science and Technology

FROM : John H. Waller
Inspector General

SUBJECT : Designation of [redacted] Stations for
Testing Concept of Combined Audit/Inspection Review

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REFERENCES : A. IG 76-2635, 17 July 1976 (to DDA)
B. IG 76-2618, 23 July 1976 (to DDO)
C. IG 76-2684, 3 August 1976 (to DDS&T)

1. In references I called your attention to the concept of conducting combined audits and inspections in those selected components which might benefit most from this technique. This would include components which utilize significant amounts of human or financial resources, or manage financially important programs. The [redacted] Stations meet these criteria. They are scheduled for financial and compliance audits in the Fall 1976, so they have been selected for this combined review which is intended to test the validity of the concept of combining the audit and inspection functions. I believe the auditors and inspectors will mutually supplement each other's efforts, thereby giving greater dimension to the work of both.

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2. In the case of [redacted] the inspector while there will, in addition, complete the normal inspection which had been delayed in May at the request of the COS.

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3. In the case of the [redacted] Stations, the inspectors will take the occasion of their presence to supplement the current Phase inspection of DDO, and to work with Station personnel to more accurately define compliance problems posed by the Executive Order and [redacted], and to be helpful in recommending systems to prevent violations from occurring. As time permits the inspectors will perform those functions normally performed by inspectors, including hearing grievances.

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4. Additional details concerning participation in these reviews at the three selected Stations are as follows:

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a. [redacted] The audit team, headed by [redacted] is scheduled to conduct an audit from 9 September to 2 October 1976. The audit will include coverage at the [redacted] sites. I have appointed [redacted] as the inspector to participate in this review. On 12 August 1976 I informally briefed the Chief of Station [redacted] on this concept.

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b. [redacted] Station. The audit team, headed by [redacted] is scheduled to conduct an audit from 20 September to 19 October 1976. The audits of [redacted] and the [redacted] will be conducted during the same period. I have appointed Bill [redacted] to join the auditors because he participated in the incomplete May 1976 inspection of [redacted] Station. He will complete that inspection and conduct any additional activities he or the Station believe necessary. I plan to brief the Chief of Station, [redacted] on the audit/inspection concept on 23 August 1976.

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c. [redacted] Station. The audit team, headed by [redacted] is scheduled to conduct an audit from 13 October to 12 November 1976. I plan to appoint [redacted] as the inspector to accompany the auditors and conduct the inspection Staff review. I informally briefed the new Chief of Station [redacted] on 13 August 1976 on this proposal.

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5. The inspectors may not remain on the job as long as the auditors. They may arrive at a Station some days after the auditors commence their work, but they will usually depart no later than the auditors. Cables will be sent to these Stations to alert them to this planned activity, and indicating the timing involved.

(signed)
John H. Waller

John H. Waller

Distribution:

- Original - DDA
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O/IG: [redacted] (8/18/76)

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MEMORANDUM FOR: DDCI

Executive Registry

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Hank:

The attached is for your information.

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Date 26 August 1976

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